

ARTICLE APPEARED
ON PAGE 1LOS ANGELES TIMES
14 April 1986

CIA Secretly Gives Funds to Contras for Political Use

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WASHINGTON—The CIA has secretly given Nicaraguan rebels more than \$1.5 million for their political operations since last August, U.S. officials and rebel leaders said Sunday.

Even though Congress has banned the CIA from playing any direct role in the rebels' war against the leftist Nicaraguan regime, the covert aid is not illegal, officials said. But it has given the CIA considerable influence over the top leadership of the *contras*, as the rebels are known.

The CIA program has also become an issue in the *contras'* internal squabbles, with members of one faction charging that the Reagan Administration has favored another with its secret aid.

"The agency people act as if instead of being our allies, they are our bosses," one leader of the *contras* complained, speaking on condition that he not be identified. "They are trying to run things again, instead of letting us run them. . . . That has created a lot of resentment."

On Tuesday, the House is scheduled to consider for the second time the Administration's request for \$100 million—of which \$70 million would be military aid and \$30 million humanitarian aid—to fund the *contras* for 18 months. Similar legislation has already passed the Senate.

The CIA's recent covert funding went to the rebels' umbrella group, the United Nicaraguan Opposition (UNO), to maintain offices in Miami, Honduras and Costa Rica, support clandestine radio stations and pay for *contra* leaders' travel in search of foreign political backing.

Internal UNO records obtained by The Times show the organization's total receipts from August, 1985, through January, 1986, at more than \$1.5 million, and *contra* officials said that virtually all that money came from the CIA. They said the agency has continued funneling aid into the group's off-shore bank accounts since January but refused to supply any figures.

The covert political funding was provided in addition to the \$27 million in overt U.S. aid to the rebels approved by Congress last year. By law, the overt aid cannot be used to pay for either political action or weapons, and has been spent mostly on food, medicine and uniforms.

In approving the overt funding, Congress prohibited the CIA from any role in administering the program, but it did not ban the agency from helping the *contras* with non-military operations. Congressional sources said the agency had told the House and Senate intelligence committees of the covert political fund, and neither panel has moved to cut off the program.

A CIA spokeswoman, Kathy Pherson, said the agency will have no comment on any reports of covert programs. But she noted, "We have complied, as always, with congressional restrictions."

Authentic Records

U.S. officials confirmed that the rebel organization's records obtained by The Times are authentic. The documents include the group's basic financial accounts for the six months from last August through January, showing expenditures of almost \$1.3 million on political operations during that period.

Expenditures for January came to \$224,524, and one *contra* official said that political expenses have increased slightly since then—a rate that could bring the total cost of the program to more than \$2 million by now.

While the political fund is administered by the organization's office in Miami, most of the money is spent on projects run by the individual groups within the alliance, each of which fields its own guerrilla army.

The accounts showed that from August through January, the Nicaraguan Democratic Force, the Honduras-based guerrilla army, which was funded secretly by the CIA before 1984, received \$289,533 in political funds; KISAN, a Miskito Indian group that has allied itself with the Democratic Force, received \$290,000, and UNO/Costa Rica, a Costa Rica-based organiza-

tion led by veteran politician Alfonso Robelo, received \$407,463.

Among the largest projects funded by the covert aid were a clandestine radio station in Costa Rica, the "Voice of UNO"; the Democratic Forces Honduras-based radio station, "Radio September 15"; missions to Spain, Venezuela and other countries to seek political support for the *contras'* war, and attempts to set up representative offices in Paris, Geneva and other European capitals.

But the largest single category of expenses, the documents show, is for bodyguards and other security measures for organization leaders: \$297,847 was budgeted for security during the period covered.

"There's nothing there to be ashamed of, as far as I know," said a U.S. official familiar with the program. "Everybody agrees that the *contras* need to develop a greater political identity."

Contra officials contended that the documents showed it would be difficult for much corruption to exist within UNO because of the strict accounting standards required by the CIA.

"Anyone who proposes a project submits a budget, which has to be approved by the regional direction of UNO and then by the national direction," said one official. "The Miami office then transfers funds, but only against vouchers and invoices. The vouchers have to be made out in three copies, and one goes to the CIA."

He said the organization's three directors—Adolfo Calero of the Nicaraguan Democratic Force, former Sandinista official Arturo Cruz and Robelo—were empowered by the CIA to approve or disapprove projects, "within certain restrictions: We cannot publish things aimed at the United States, and we cannot use the money to travel to Washington."

Several *contra* officials also complained that the fund gives the CIA financial leverage over their political decisions, even though the agency is barred from advising the rebels on military actions.